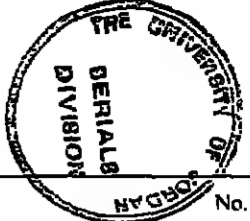


Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Monday, November 29, 1993



No. 34-447

For Russia's Army, A Humiliating Retreat

Dismantling of a Once-Mighty Force Poses Critical Problems for Moscow. By Serge Schmemmann, New York Times Service...



LONGING FOR LENIN — Russian security forces turning away a protester on Sunday outside the Lenin Museum beside Red Square...

EC Presses A Last-Ditch Plan to End Bosnia War

U.S. Stays on Sideline As Factions Prepare For Meeting in Geneva. By William Drozdiak, Washington Post Service...

Britain Admits Secret Contacts With IRA, Prompting an Outcry

By John Darnton, New York Times Service. LONDON — The government admitted on Sunday that it had held secret contacts with the Irish Republican Army...

4-Day Week Leaves Some Experts Cold

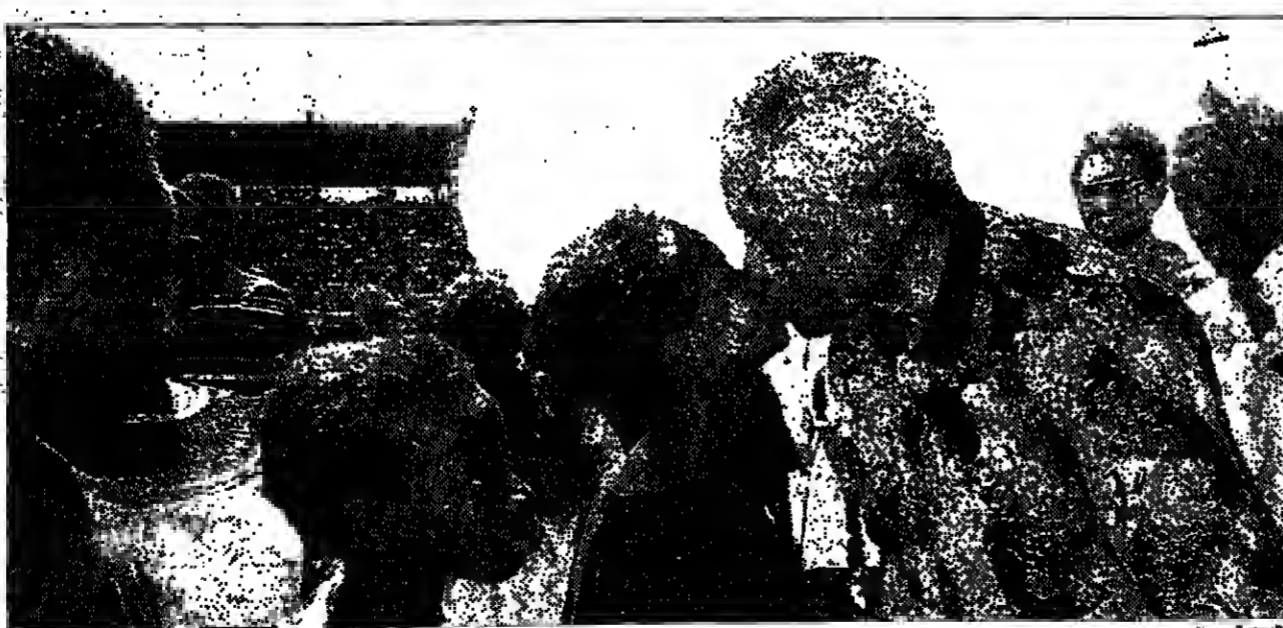
By Barry James, International Herald Tribune. PARIS — Four days or five? The idea of shortening the workweek and sharing jobs...

Economics Chief Outlines Cure For Ailing German Workplace

FRANKFURT — Economics Minister Günter Rexrodt has challenged the long-standing order of "labor market politics"...

British Running Out of Patience On Hong Kong

Compiled by Our Staff From Dispatches. HONG KONG — Governor Chris Patten said Sunday that Hong Kong's patience was wearing thin...



Nelson Mandela, the leader of the African National Congress, greeting a drum majorette during a rally held north of Pretoria.

A Homeland That Won't Go Quietly

By Bill Keller, New York Times Service. MABOPANE, South Africa — South Africa has made millions of blacks into outcasts and outlaws...

Japan Takes the Big Leap Into China's Hot Economy

By Steven Brull, International Herald Tribune. BEIJING — Entering Matsushita's TV picture-tube plant here, visitors could be forgiven for imagining themselves in pristine, high-tech Japan...

Table with exchange rates for various countries including Andorra, Luxembourg, Morocco, Qatar, etc.

Klosk PLO Reminds Israel of Dec. 13 Limit. Comments last week by Prime Minister Yitzhak Rabin had hinted at a delay in an Israeli troop pullout.

Japan Takes the Big Leap Into China's Hot Economy. Finance Ministry officials and Japanese financial analysts say company officials will risk no hard estimates...

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STATESIDE / A SERVICE MISSION

POLITICAL NOTES

Welfare Task Force Weighs Hiring Subsidies

WASHINGTON — As part of its plan to revamp the welfare system, the Clinton administration is considering giving new federal subsidies to companies that hire or find jobs for welfare recipients.

New Jersey Democrats Accept Their Loss

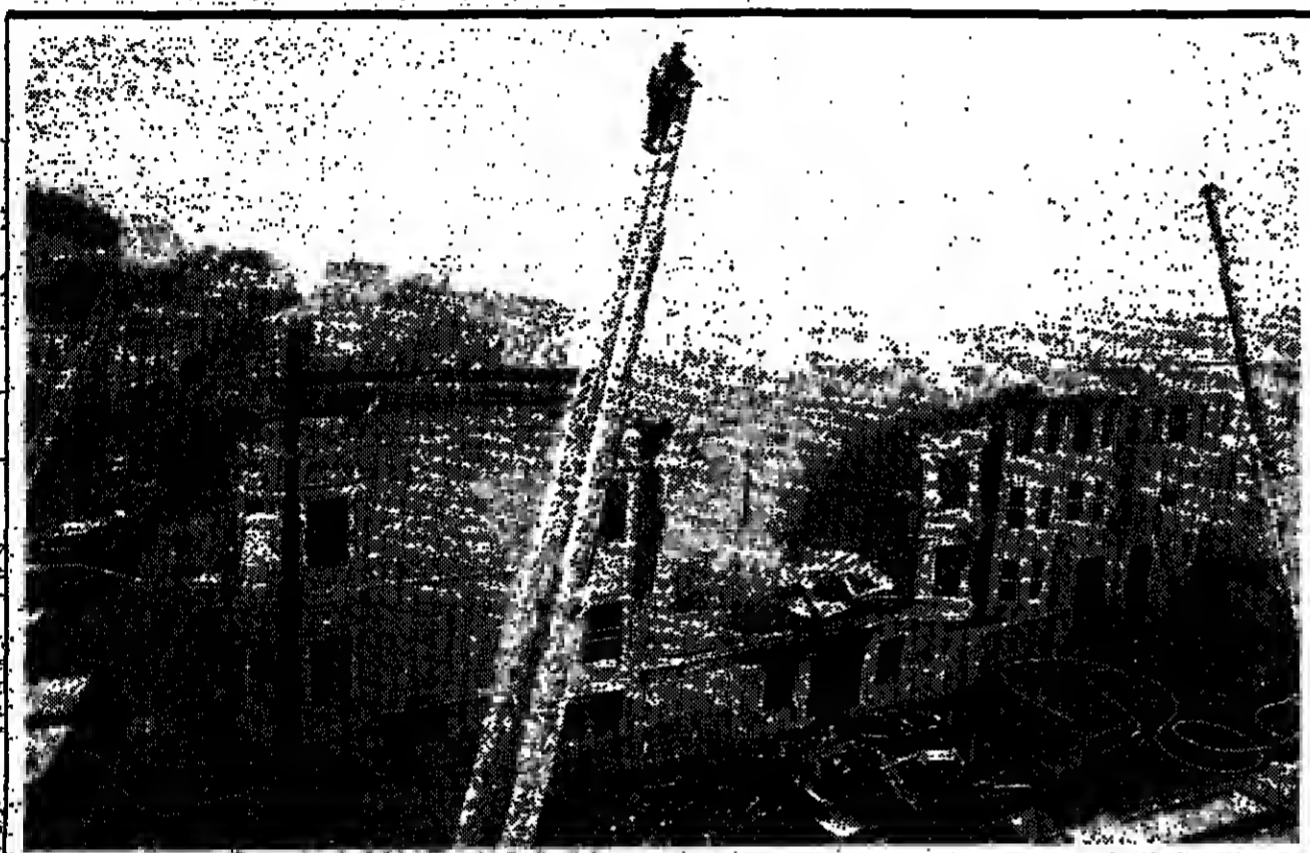
NEW YORK — After three weeks of legal and political wrangling over whether Republicans tried to suppress the urban black vote, the New Jersey Democratic chairman has said that his party plans to abandon its legal campaign to overturn Christine Todd Whitman's narrow victory over Governor Jim Florio on Nov. 2.

Quote/Unquote

Ben Wattenberg, senior fellow at the American Enterprise Institute, on Bill Clinton: "The most difficult thing for a president to recover from is being laughed at; Remember Gerald Ford. I think Clinton is straddling that thin line where people who are oohing and laughing about him will laugh at him. Of course, he is smart enough to turn this around."

NASA's Big Gamble: Hubble Repair

By Kathy Sawyer
WASHINGTON — Before dawn on Wednesday, a crew of seven veteran shuttle astronauts is scheduled to lift off on an 11-day, \$630 million servicing mission of extraordinary complexity intended to correct the Hubble Space Telescope's vision — and vindicate NASA's.



SAN FRANCISCO FIRE LEAVES 100 HOMELESS — Fire fighters on cranes aiming water at a five-alarm blaze in San Francisco's Haight-Ashbury District. The weekend blaze gutted nine apartment buildings and left about 100 people homeless.

Clinton Seeks Flexibility on Foreign Aid

By John M. Goshko and Thomas W. Lippman
WASHINGTON — The Clinton administration has proposed a complete overhaul of the nation's foreign assistance programs that would give the president broad flexibility to use aid to advance his foreign-policy goals and would jettison existing programs conceived primarily to combat communism.

Away From Politics

- Robbers in the Queens Borough of New York City tore the leather jacket off a pregnant woman, then fatally shot her husband, Alexander Ortiz, while she watched.
The burglary of a Marriott Hotel safe netted thieves \$18,000 in Colorado Springs, including 830 pounds (377 kilograms) of coins.
Murder was the leading cause of workplace death in five states and the District of Columbia during the 1980s, according to the first federal study to pinpoint workplace fatalities by state. Of the 7,603 Americans slain at work in the last decade, 985 were murdered in Alabama, Connecticut, Maryland, Michigan, South Carolina and Washington, D.C. New York does not tabulate such homicides, but the National Institute of Occupational Safety and Health estimated its toll at 867.
Responding to complaints from merchants and residents, municipal officials in San Francisco are considering whether to establish city-run brothels that would rent rooms to prostitutes, check their health and collect taxes on their earnings. The San Francisco Board of Supervisors has created a 20-member group that includes three former prostitutes to consider legalizing prostitution and other steps that might help neighborhoods where sex is sold on street corners.

Clinton and Congress: A Messy but Effective Legislative Year

By Helen Dewar and Kenneth J. Cooper
WASHINGTON — In a triumph of substance over style, President Bill Clinton and the 103rd Congress broke the legislative gridlock that has gripped Washington in recent years, stumbling to one of the most fruitful first years of an administration in decades.

SECRET CODES WITH THESE SIMPLE ACCESS. CALLING ONE FOREIGN COUNTRY FROM ANOTHER IS NO... Includes a list of countries and their corresponding secret codes for international calling.

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BOOKS

GOING OUT: The Rise and Fall of Public Amusements

By David Nasaw. 312 pages. \$25. Basic Books.

Reviewed by Jonathan Yardley

A CENTRAL reality of American society in the late 20th century is that it is atomized and Balkanized. Americans live not so much together as apart. They stroll the sidewalks or jog the pathways cocooned in Walkmans, and drive the highways cocooned in dashboard-mounted CD systems; they rent videotapes to be watched in the privacy of their residences or book themselves up to the private universe of cable television; they work in home offices where their principal links to the outside world during business hours are electronic; they treasure privacy as an implicit constitutional right and hire lawyers to defend it.

Whether all this is for good or ill is a question still in the early stages of debate. What is certain, though, is that it stands in stark contrast to American life as it was lived in most of the rest of this century. Until the technological revolution began to make its effects felt in the middle class, most Americans spent their lives in public. They worked on crews or in offices, they played games in public spaces, they found amusement in the company of their fellow citizens.

least marginally less antipathetic to American economic institutions than are all too many others, coming into being as they do in the hothouse of the prevailing scholarly orthodoxy. To be sure, David Nasaw is at pains to demonstrate his pique on matters of racial justice, at times ludicrously so, but otherwise he is content to let his story tell itself with only occasional forays into the obligatory jargon.

The essence of his story is that from the late 19th century until the postwar years, two major developments took place in American life: Reduced work demands made it possible for ordinary people to have leisure time both during the work week and on vacation, and technological change made it possible for them to do so en masse.

On entering the park, one surrendered one's individual standing in the outside world and merged into a temporary play community which coexisted with one's visit and dissolved immediately thereafter.

Nasaw's prose may be indigestible but his point is correct: Public amusement became a form of socialization in which the various barriers that divided Americans — class, money, education, ethnicity — were at least temporarily lowered in a "promiscuous mixing of disparate social groupings."

The public amusements about which he writes played an important role in America's adjustment to its changed populace and its accommodation to the changed ways of the 20th century. Certainly it is true, as Nasaw says over and over — and over — again, that black Americans were not merely excluded from most of these amusements, but also were often the subjects of mean, racist parodies. For other Americans, though, public amuse-

ments granted admission to a "kingdom of democracy" that helped them adjust to America and to each other; to his credit, Nasaw is quick to acknowledge this.

It also needs to be acknowledged, as Nasaw does only in passing, that ultimately the same popular amusements in which blacks were mocked and scorned became the avenue on which blacks began their march into the American mainstream. The great irony of Nasaw's tale, though it is one he overlooks, is that sports and entertainment are now the principal sources not merely of black success but of white acceptance of blacks. African Americans may still find doors closed to them in business and industry and the other bastions of the American economy, but on the playing field as on the screen and in the recording studio, they can go as far as their talents can take them. Even as public amusements retreat into the privacy of the living room, their democratizing powers remain undiminished.

Jonathan Yardley is on the staff of The Washington Post.

WHAT THEY'RE READING

Jeanne Moreau, the actress, is rereading Graham Greene's "The End of the Affair" in English. "I tell my French friends they must read this book — the language is absolutely marvelous. And the relationships! None of the men who love this woman touched on the divine essence that she's been carrying around: they want her to be the way they dream of her, and it kills her." (Joan Dupont, IHT)



An East German Cabinet Quits Scandal Over Pay Is Latest Setback for Kohl

By Stephen Kinzer

New York Times Service

BERLIN — In the latest of a series of political scandals that have shaken Germany since the country was reunified in 1990, the government of the eastern state of Saxony-Anhalt resigned Sunday after the premier and three of his ministers were accused of corruption.

The premier, Werner Munch, and the three ministers were reportedly revealed to have been receiving considerably higher compensation than they had publicly acknowledged.

Through a series of additional payments supposedly to be used for expenses and compensation for lost income in their native West Germany, the four have reportedly received a total of about \$600,000 in undisclosed income in the last two years.

In a last-ditch effort to prevent the extra payments from being made public, Mr. Munch said last month that he and his ministers could not make public documents detailing their compensation because the documents were protected by privacy laws. Press reports and continuing demands by state legislators, however, forced the four to acknowledge the payments last week.

A legislator, Jürgen Angelbeck, asserted that the four had "disgraced" the entire state government.

Mr. Munch and two of the three ministers who were implicated with him are members of Chancellor Helmut Kohl's Christian Democratic Union.

The collapse of the Saxony-Anhalt government marked the second political setback for Mr. Kohl in two weeks. Last week, his candidate for Germany's presidency, Steffen Heitmann, withdrew from the race after it became clear that he had little chance of winning.

The opposition Social Democrats called for new elections in Saxony-Anhalt, but it was not clear if the Christian Democrats, whose coalition still holds a majority in the state legislature, would accede to their demand.

In a statement announcing his resignation and that of his cabinet, Mr. Munch insisted that neither he nor the other implicated ministers had done anything wrong.

spare my family, the state and the ruling parties from further harm."

According to a report to be published in Monday's edition of Der Spiegel, the newsmagazine, Mr. Munch's secret financial arrangements made him the highest-paid public official in East Germany.

The report quoted Mr. Munch as defending his private use of expense money by saying that "in the eyes of the law, it makes no difference if a lawmaker uses it to buy specialized books or a diamond ring for his wife."

The fact that all four accused politicians are "imports" from West Germany seemed certain to increase the skepticism that many East Germans harbor toward some of their Western cousins. All four came to Saxony-Anhalt after being unable to rise in politics in their home states.

Mr. Munch had failed in his 1990 campaign to win the Christian Democratic leadership in his native Lower Saxony. Interior Minister Harunur Rashid had failed three times to win election as mayor of Hamburg. Economy Minister Horst Rehberger lost his post as economy minister in Saarland after a brief term, and Minister of Social Affairs Werner Schreiber lost his campaign for a seat in the federal parliament in 1990.

The Vatican Stays Silent On the Vote In Rome

Compiled by Our Staff From Dispatches

ROME — The Vatican has refused to endorse either candidate for mayor of Rome, the Italian press on Sunday quoted religious sources as saying.

The contenders for the Dec. 5 vote are Gianfranco Fini, the candidate of the neofascist Italian Social Movement, and Francesco Rutelli, the Green candidate. Mr. Rutelli is backed by the Democratic Party of the Left, the Greens, the radicals and some Christian Democrats.

Mr. Rutelli won 40 percent of the vote in the first round of the election on Nov. 21, 4 percent more than Mr. Fini but not enough to avoid a runoff.

Opinion polls on Sunday showed Mr. Rutelli drawing more support than Mr. Fini.

Both the far left and the far right made strong gains as voters deserted the Christian Democrats and Socialists, weakened by continuing corruption scandals.

The Christian Democrats, who have governed Italy since World War II ended, failed to get enough votes for any candidate to run in the second round.

A poll for the Roman Catholic magazine Famiglia Cristiana, carried by the Italian press on Sunday, predicted that Mr. Rutelli would receive 60 percent of the vote to Mr. Fini's 40 percent.

But a second poll indicated that the race, which has set off an emotional debate about Italy's Fascist past, could be much closer. A survey of Roman voters for the newspaper Il Giornale gave Mr. Rutelli 52.4 percent to Mr. Fini's 47.6 percent.

The paper noted that since the poll had a margin of error of four percentage points, the candidates were running virtually neck and neck.

In the first round, Mr. Fini won 35 percent, compared with 39 percent for Mr. Rutelli.

The campaign reached a fever pitch last week when the press baron Silvio Berlusconi, who also owns the AC Milan soccer team, said he preferred Mr. Fini over Mr. Rutelli. (AFP, Reuters)

BRIDGE

By Alan Truscott

ALMOST 60 years ago, a brilliant group of players became the first life masters based on their playing performances. They were: David Burnstine (later Bruce), Oswald Jacoby, Howard Schenken, Waldemar von Zedwitz, F. Hal Sims, B. Jay Becker, Theodore Lightner, Richard Frey, Michael Gottlieb, and Sam Fry Jr.

One of the last links to this cluster of stars was severed this month when Mabel Frey, Richard's widow, died in her sleep at the age of 88. On the diagrammed deal, played almost three years ago, she held the South cards. After her partner opened one heart, she charged ahead with Blackwood.

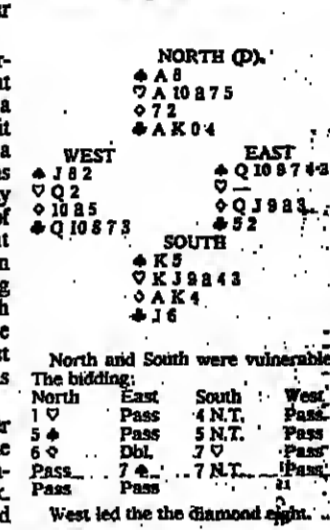
The final contract of seven hearts would have been a lay-down, but East saved in seven spades. This action would be less tempting today, for since the beginning of

this year the laws of social bridge conform to duplicate and unworkable penalties for defeats of four tricks or more are heavier.

Rather than accept a nonvulnerable penalty, South took a shot at seven no-trump, which had a chance of being lay-down. As it turned out, it was worse than a finesse, but not as much worse as might appear. South had to play West to have the queen and ten of clubs, normally a 24 percent chance. But since East had shown length in diamonds, by doubling that suit at the six-level, and length in spades, by bidding them at the seven-level, the chance that West held the missing club honors was greatly increased.

It was fortunate for the declarer that the club nine appeared in the dummy. She won the opening diamond lead and led the club jack. This was covered by the queen and

king, and she later finessed the nine to make the grand slam.



INTERNATIONAL RECRUITMENT. You will find below a listing of job positions published last Thursday in the International Herald Tribune under the International Recruitment Heading.

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3 French Boys Linked to Murder

PARIS—The case of three French boys, 8 to 10 years old, who are accused of beating a vagrant to death has raised comparisons in France to the beating death in England of a toddler by two boys. The two Britons were convicted last week. The three French boys were placed under investigation three weeks ago for battering and inflicting blows that unintentionally caused death, a spokesman for the state prosecutor's office said.

The three were said in press reports to have bludgeoned the tramp with a wooden beam and to have dragged his body to a shallow well, where the police later found it.

The boys, one 8 years old and the other two 10, have been released into the custody of their parents pending judicial proceedings. Judge Anne-Marie Vigant explained that children under 13 facing criminal proceedings could not, according to French law, be placed in detention.

Two other tramps accused of being present during the attack are also under investigation. The killing occurred on Oct. 29 in the Paris suburb of Vitry-sur-Seine and was made public Friday evening.

The three boys, from Vitry, were said to have made friends in October with two vagrant men, aged 37 and 47, who moved into a shed on a vacant lot where the boys often played. The children regularly brought the vagrants food.

Trouble began when a third homeless man, Pierre Boura, 45, described as an ailing alcoholic, tried to move into the shed against the wishes of the other two, press reports said.

On Oct. 29, Mr. Boura bragged that he had taken to set the shed on fire the previous day, infuriating one of the other two vagrants, who started to beat him up in front of the three boys and a fourth child, aged 13, the reports said. The three younger children, according to the newspapers, joined the fray, beating him with a wooden beam and finally dragging his body to the nearby well.

One of the vagrants was said to have looked on along with the 13-year-old, who later recounted the story to a friend who in turn told the police.

Some HIV-Tainted Blood Found in Romanian Sales

By Jane Perlez
New York Times Service

BUCHAREST—Romanian blood products have been found to be a source of blood contaminated with HIV that was distributed by a German company, World Health Organization officials say.

Romania's health minister has acknowledged the sale of the Romanian blood, which was bought from impoverished people in the capital. But the officials, who gave the company special permission to sell the blood, have said only that it was contaminated with hepatitis, not with the human immunodeficiency virus that causes AIDS.

WHO officials in the Copenhagen office, which oversees Eastern Europe's AIDS programs, said German investigators, in search of the sources of contaminated blood, discovered that the Romanian blood was tainted with HIV.

German prosecutors have charged a Koblenz company, UB Plasma, with distributing the blood. Its subsidiary in Bucharest, UB Plasma Roma, sold 1,550 liters of plasma to the parent company this year.

The WHO officials said they had been told that "one or two" of the 1,550 liters from Romania were tainted with HIV. The normal rate for HIV infection for blood products from Western Europe is one in 100,000 to 1 million liters, the WHO official said.

MILITARY: The Unwieldy Legacy of Soviet Empire

Continued from Page 1

had come to draw the line against concessions to former adversaries.

At home, torn by the breakup of the Soviet Union into forces with conflicting missions and loyalties, many officers deplore the collapse of the superpower they served and do not accept its dismantling as final. The hammer and sickle still adorns the military's seal just as the empire mentality prevails.

"You can forgive Yeltsin our pauper's pay, the destroyed health of our wives and children, our eviction from warm houses virtually into open fields," said a senior officer recently withdrawn from the Baltics. "But we cannot forgive that lands conquered by our fathers and grandfathers, and our people living on them, have been given away for less than a pinch of tobacco."

In many regions, Russian troops have taken things into their own hands. With or without Moscow's blessing, they have taken sides in ethnic wars, usually to prevent the regions' spinning further away from Moscow or to protect the interests of some 25 million Russians who have suddenly become foreigners in spinoff states.

"There is no real civilian control over the military today," Mr. Rogov said. "The end of 1991 saw the collapse and withering away of the Soviet state, and there is still no real government in Russia; bureaucrats do what they like, without fear. In the military itself, you have a democracy of the generals."

Nothing has demonstrated the ambivalent place of the military in Russia quite as starkly as the storming of the parliament on Oct. 4. The crunch of tank treads on Moscow streets was a brutal reminder of the military's ability to decide the balance of power in Moscow.

The "events of October" also showed the generals to be far from unified in their loyalties or views. Their initial reaction when Mr. Yeltsin cracked down on parliament was to shut off the Defense Ministry's outside telephone lines and declare neutrality.

In the immediate aftermath, the dominant reaction was relief — that casualties had been limited, that the troops had obeyed. Distributing medals and promotions, Defense Minister Pavel S. Grachev praised the soldiers for "saving Russia from a tragedy that could have led to civil war."

But since then, many reports have emerged of vacillation in the military and of heated midnight debates on the eve of the attack. Most startling was a recent interview in which Mr. Yeltsin openly accused General Grachev of wavering.

"My defense minister couldn't make up his mind," the president said. "There was a time of uncertainty when the troops did not arrive. Apparently he had been given too much responsibility, and he doubted whether the soldiers would follow his orders."

The image of an army capable of both crushing a parliament and questioning commands is one likely

membership of Eastern European countries in the North Atlantic alliance.

But many an officer acknowledged that there was something beyond money and rank he would like to recover: respect.

"It would be good if the image of the army changed now," said Lieutenant Colonel Vladimir I. Goncharov. "It's been covered with black paint. We're the oppressor, a drain on the economy. Now maybe they'll realize how many times we've stopped bloodletting."

Only a few years earlier, the tanks that shelled the parliament were among 70,000 that enforced Soviet rule on whole nations of Europe and Asia.

The officer corps was a proud and pampered caste. More than half of those who entered military academies were sons and grandsons of military men, drawn by tradition, prestige, security and by Soviet standards, good pay.

Their heritage, acutely nourished by the Soviets, stretched centuries back to grand czarist armies and audacious Cossack horsemen who had conquered Swedes, Poles, Germans and Turks, who swept across Siberia to the Far East and who drove Napoleon back to Paris and Hitler back to Berlin.

The military became the proudest creation of the Soviet state, an awesome muscle around which the Kremlin built its economy and its policy. It was the biggest military machine in history — 5 million men under arms at its peak in 1988, according to the Institute of Strategic Studies in London. It had warships and submarines stalking the seven seas, manned spacecrafts permanently in orbit, enough nuclear missiles to pulverize the planet several times over.

Now that great force has shrunk to about 1.5 million. The remaining force is no longer perceived in the West as a mortal threat but, because it still has a large nuclear arsenal, there is always the potential for trouble in years ahead.

The dismal state of morale was described in a recent issue of the magazine *Nedelnya* by Yuri Deryugin, head of the Association of Military Sociologists. The number of deaths in the military was up, and the cause, he said, was often concealed behind diagnoses such as "severe cardiac insufficiency." In fact, practically every fourth death was a suicide.

Seventy percent of officers did not believe that their units were capable of carrying out their missions, Mr. Deryugin found, and 76 percent of cadets said the main reason for quitting the military was the "rejection by the public of the military profession."

In the heyday of the Soviet Army, money was hardly a consideration. Throughout the Cold War, Moscow's grand strategy was a replay of the closing days of World War II: huge tank armies racing across the German plains while thickets of nuclear missiles insured that the United States would never survive a nuclear war.

To support the strategy, Moscow channeled more than half of its industry, science and talent into a ravenous military industry, even as it drained away its wealth and ravaged its environment.

But even in the chilliest days of the Cold War, there was a distinction between the Soviet Army's menacing image and reality.

The American military emphasizes Russia's power to justify its own demands for spending. But former Pentagon officials now acknowledge that the Soviet military threat, formidable though it was, was not as great as many specialists believed.

"They lived a lie," a former American military officer said. "We probably had a better idea of their ability to go into combat than they did."

On Nov. 2, President Yeltsin's Security Council, his main policy planning committee for internal and external security, finally agreed on a new "military doctrine."

Not surprisingly, it proved to be less a blueprint for the future than a reflection of existing problems and realities.

The document also confirms that Russia would not renew the Soviet pledge not to use nuclear weapons first. Russia seemed to want to remind potential aggressors, including the Chinese, that it still had 6,300 strategic nuclear warheads.

For conventional forces, the doctrine confirmed Russia's increased emphasis on a smaller army with highly mobile airborne and helicopter assault units, able to respond quickly to regional conflicts.

All these grand concepts and hopes, however, require money. "We have long-range plans, but the economic conditions are not conducive to realistic planners," said Andrei Kokoshin, first deputy defense minister.

NEXT: Reshaping the military.

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The National... Stays Silent... On the Vote... In Rome

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REPRINTS



Manuela Escobar, right, daughter of Mr. Escobar, being escorted through the Medellin, Colombia, airport by government agents. She was en route to Bogotá to take a flight to Germany.

Bogotá Denies Deal With Escobar

BOGOTÁ — The Colombian government denied Sunday that it was negotiating a surrender deal with the fugitive drug trafficker Pablo Escobar Gaviria and said that his family had traveled to Germany on their own account to escape threats at home.

IRA: British Government Fends Off Bitter Attacks Over Secret Contacts

Continued from Page 1
prime minister and involved senior civil servants. As recently as 10 days ago, with rumors of secret meetings flying around Belfast, Dublin and London, Mr. Major tried to scotch them. He told Parliament that face-to-face talks with the IRA would "turn my stomach."

Confident Haiti Officers Consolidating Their Rule

By Douglas Farah
Washington Post Service
PORT-AU-PRINCE — Military leaders, confident that the United States and the United Nations have no way left to force the return of the exiled president, the Reverend Jean-Bertrand Aristide, are establishing a political network to consolidate their power for years to come, according to diplomats and sources close to the Haitian military.

A UN-mandated oil embargo — imposed six weeks ago to force the Haitian military to allow Father Aristide's return — has been choking the nation's economic life without hindering the military, and American and United Nations officials are pondering new approaches to the crisis.

cause there is no public transportation, so they lose their jobs, is that humane or fair?"
In July, the army commander, Lieutenant General Raoul Cédras, and Father Aristide signed the Governors Island Accord, which called for the military to step aside to allow the president to return Oct. 30 and ended a previously UN-mandated oil embargo. When it became clear the military would not honor the agreement, oil sanctions were reimposed.

Based in Washington, the institute is an environmental research group financed by private donors and the United Nations. Marine life, the world's largest source of animal protein, is threatened by overfishing and pollution, the report said. The global catch rose from less than 5 million tons in 1900 to 80 million tons today.

slide victory in December 1990, is Haiti's first democratically elected president. He was overthrown by the military Sept. 30, 1991.

Two weeks ago, army leaders forced Texaco, Shell and Esso to distribute the gasoline those companies stored in the country, estimated to be a seven-week supply.

According to peasant leaders, religious workers and relief experts in the countryside, the military has shifted its emphasis from repressing any pro-Aristide activity to actively seeking to establish its own political presence across the country.

"The army has always exercised control here," said one political analyst. "What they are doing is forcing people to buy into the system through its civilian organizations, giving them a stake in the army system by controlling fuel, food and transportation. That means that if the government changes, control in the countryside does not. It is a lesson learned from the Duvalier regimes."

The architect of establishing and financing these nationwide groups — normally civilian but usually heavily armed — is Brigadier General Philippe Biamby, the army's third in command, the sources said.

AMERICAN TOPICS

For Seas, Oil Spills Aren't Worst Threat

The crucial role of the ocean in human survival is in peril from overfishing, coastal development and land-based pollution, Worldwatch Institute says.

About People

Bill and Hillary Clinton have redecorated the family quarters of the White House in a neo-Victorian style heavy on swags, velvets and golden laurel wreaths.

Short Takes

The "virtual office," with employees working at home or in hotels and connecting by computer with headquarters, holds no charms for Christine A. Sullivan, a New York Times reader. In a letter, she contends that doing away with the workplace will make "unenthusiastic, disgruntled and depressed employees."

HOMELANDS: Bophuthatswana Digs In Its Heels BOSNIA: A Last-Gasp Plan

Continued from Page 1
white separatists and Chief Mangosuthu Buthe, leader of the non-independent Zulu homeland.

On the map, Bophuthatswana resembles amorphous blobs swimming in the land mass of South Africa. On the ground, it is an expanse of red dirt and shrubs, scattered with villages much like the destitute black settlements elsewhere in rural South Africa.

In the last two years, Mmbatho has been enlarged by an ornate new parliament building, a mirrored Art Deco conference center that serves mainly as a gathering place for government officials, and a \$20 million state-of-the-art recording studio that international recording stars have shunned.

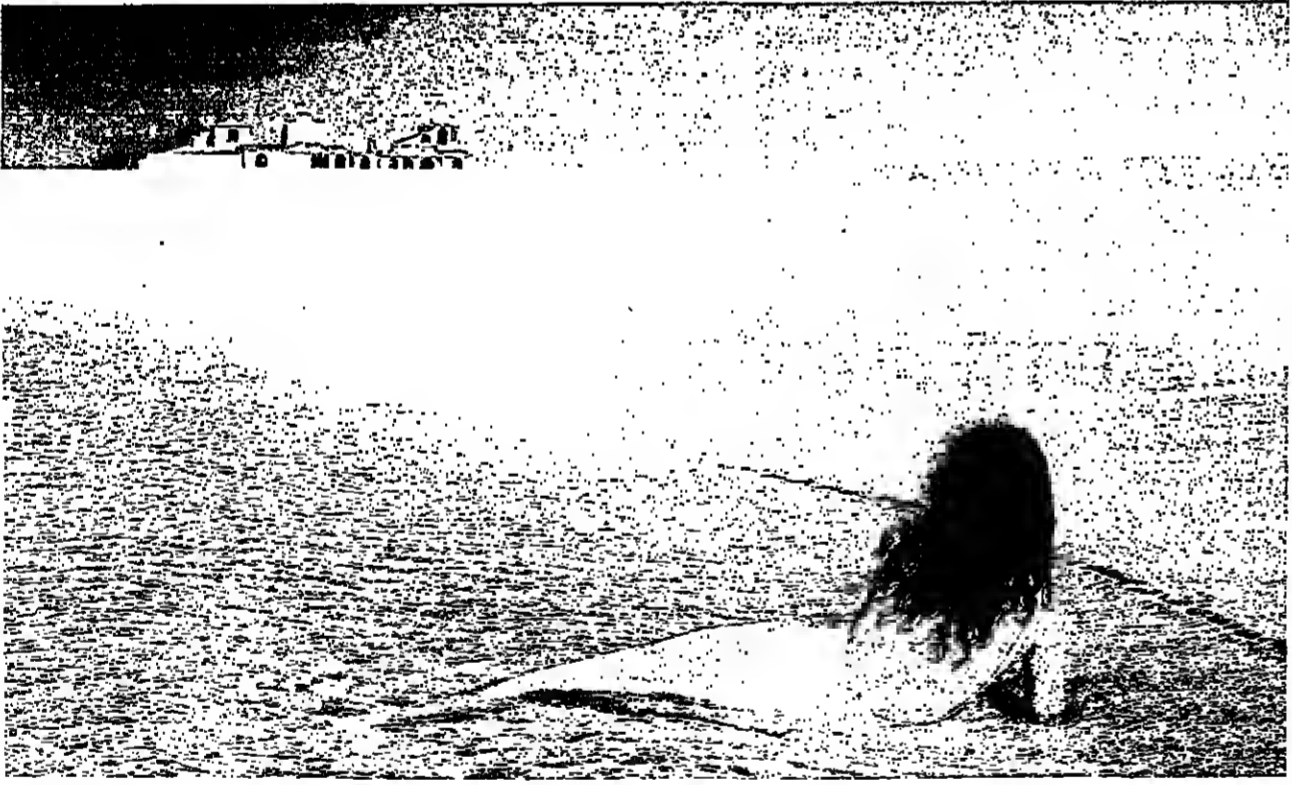
Mr. Mangosutho and his supporters fiercely deny that their state is merely a figment of apartheid. The Swans, they point out, have lived in the area for centuries and are entitled to self-determination as the Palestinians, the Eritreans, or the Armenians, although the grassroots passion that drives those peoples is nowhere evident in Bophuthatswana.

wait, the more they will lose," said a European diplomat close to the talks. "If those reasons are not enough to clinch a deal, I don't know what can work."

Lord Owen and Mr. Stoltenberg were described by aides as surprised that the 12 European foreign ministers were willing to push so urgently for a deal.

They include the leaders of Bosnia's three ethnic communities — Radovan Karadzic for the Serbs, Mate Boban for the Croats, and Bosnia's president, Alija Izetbegovic, for the Muslims. In addition, Serbia's president, Slobodan Milosevic, and President Franjo Tudjman of Croatia plan to join the talks.

Mr. Karadzic said Sunday that Serbs would refuse to give up more land to the Muslims. Reuters reported from Belgrade. He told a news conference that the meeting on Monday organized by the European Community was merely an effort to force Serbs to cede more land to the Muslim-led Bosnian government.



Be sure to stay warm this winter.

Over the years, the Canary Islands' climate of "eternal spring" has excited the desert island fantasies of many visitors. Columbus included. He wintered quite happily on Gran Canaria contemplating the New World. An altogether briefer voyage of discovery away to the west lies Tenerife. Another short hop to the east and you'll land on Fuerteventura. More easterly and yet more unusual is the island of Lanzarote. And as the islands get smaller, their appeal and diversity show no signs of diminishing. There's La Palma, the green island. The almost circular Gomera. And Hierro, island of ash cones. Each one offering a warm welcome to all life's explorers. From January to December.

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Herald INTERNATIONAL Tribune

ANNOUNCEMENT FROM THE REPUBLIC OF TURKEY PRIME MINISTRY PUBLIC PARTICIPATION ADMINISTRATION

99.923% share of the Republic of Turkey Prime Ministry Public Participation Administration (PPA) in PETLAS Inc. Co. has been announced to be put into block sale as per the privatisation programme. Referring to Article 8 of the block sale announcement published in International Herald Tribune dated Oct. 29, 1993, the deadline for the bidding has been extended from Nov. 29, 1993 to Dec. 31, 1993. Detailed information and the document related to the tender can be obtained from the address of the PPA stated here-under.

REPUBLIC OF TURKEY PRIME MINISTRY PUBLIC PARTICIPATION ADMINISTRATION
Hüseyin Rahmi Gürpınar Sok., 2, Çankaya, 06680, ANKARA-TURKEY
Tel: (90-4) 441 15 00 - Fax: 440 32 71

Catho
JAPANESE
S
Paus

2 Catholic Bishops Released by Beijing

By Patrick E. Tyler
New York Times Service
BEIJING — As President Jiang Zemin traveled to Seattle this month to meet with President Bill Clinton for a tough discussion on human rights, the conventional wisdom was that China would not release any political prisoners as a concessionary move.

were released Nov. 19 after three years in prison-like conditions. They have returned to their homes in Hebei Province, church officials in Hong Kong said. Both men were on the list of 300 political or religious detainees presented to the Chinese authorities in October by the State Department's senior human rights official, John Shattuck.

73, and Bishop Cosmas Shi Enxiang, 71, had been held in labor camps and what Chinese officials called a home for the elderly where the bishops were not allowed to leave and family members were not allowed to visit them. "The Chinese have acknowledged by sending these elderly bishops home that they were in detention," said John T. Kam, a rights advocate in Hong Kong. He has sought to draw attention to the Chinese use of "mad people's homes," mental institutions and la-

bor camps as alternate forms of detention even as China has said its population of political prisoners is declining. In China's first decade of communism, when religious persecution was greatest and ties to the Vatican outlawed, Bishop Chen was sentenced to life in prison in 1954. He was paroled in 1980. He has diabetes, and is said to be completely paralyzed on his right side as a result of a cerebral hemorrhage and unable to care for himself, State Department reports say. He disappeared from his home on May 17, 1990, and had not been heard from since.

COLONY: Losing Patience

Continued from Page 1
side should bear the responsibility for the failure of the talks. The news agency also published excerpts from a meeting between Lu Ping, director of Hong Kong and Macao Affairs for the State Council, and a Hong Kong woman's delegation during which he said the Chinese side hoped the talks would continue. "As long as the talks proceed in the interests of the 6 million Hong Kong residents and to maintain Hong Kong's long-term interests, it will not be difficult to solve problems that crop up," he said.

"No matter how many rounds of the talks take place, the Chinese side will see them through to the end," he added. Beijing-controlled newspapers here asserted Sunday that Britain had deliberately scuttled the negotiations. "People can clearly see that yesterday's result was a premeditated

Opposition Leader Resigns in Taiwan

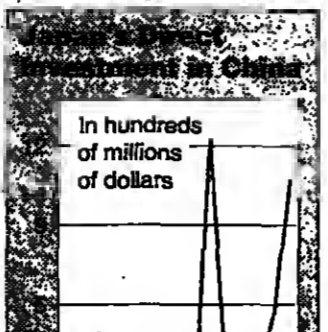
Compiled by Our Staff From Dispatches
TAIPEI — The leader of Taiwan's largest opposition party resigned Sunday in a move that was seen as a concession to the party's disappointing performance in local elections. "I promised before the election that I would resign if my party did not take at least 11 seats in this election," said Hsu Hsin-liang, 52, chairman of the Democratic Progressive Party.

But the opposition party's share of the popular vote rose to 41 percent on Saturday from 38 percent four years ago, while the Nationalists' share fell to 47 percent from 53 percent. It was the first time ever that the governing party had fallen below 50 percent of the popular vote. Some political analysts speculated before the vote that a strong showing by the Nationalists might prompt President Lee Teng-bui to advance the date of Taiwan's first presidential election by popular vote, now scheduled for 1996.

JAPANESE: A Leap Into China

Continued from Page 1
trade with China, has small stakes in 30 projects in the country. But the company says it expects to have investments in 100 projects in three to four years. Another major trading company, Mitsui & Co., plans to increase its investments in China from 44 to 100 over the next three years.

shortages of raw materials and foreign exchange. But now, battered by the high yen and dazed by Chinese growth, Japanese companies are re-evaluating their Asian strategies. At the same time, concerns about political stability are waning as Beijing's market-oriented reforms appear increasingly irreversible.



As China's economy becomes a star bet, Japanese executives say their advantages relative to overseas Chinese, American and European investors will become clear. These include Tokyo's status as China's biggest source of development aid and private lending. Geographic and cultural closeness also make it easier for Japanese companies to invest in China than Western rivals.

17 Malaysians Die in Crash

KUALA LUMPUR — Seventeen Malaysians on their way to watch a soccer match in the Malaysian capital were killed Sunday when their van collided with a bus from Singapore.

17 Malaysians Die in Crash

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"When you look ahead to the year 2000 or 2010, China will be three or four times bigger," said C. H. Kwan, senior economist and head of Asian research at Nomura Research Institute in Tokyo. "Then China may emerge as Japan's largest market and investment destination."

Perhaps the most pioneering Japanese company in China has been Yaohan, a retailing and manufacturing conglomerate. The company, which moved its headquarters to Hong Kong in 1990 to be closer to China, plans to open 3,000 fast-food outlets and 1,000 supermarkets by 2010. It also is building a department store in Shanghai that will be China's largest.

and help facilitate its own restructuring, there is also the fear of feeding an Asian rival. At least in terms of purchasing-power parity, China's economy, which grew at a 13.3 percent pace in the first nine months of this year, could be less than a decade away from rivaling Japan's in size.

In the long term, Japanese executives and officials are wary of developing too exclusive an alliance. They want to integrate Chinese operations with those in Southeast Asia, where Japanese interests dominate, so that Beijing's influence will not be overwhelming.

"It's clear China will become an economic superpower, but nobody wants a Pax Sinotica," said Kazuo Yawata, director of the North and East Asia division at the Japanese Ministry of International Trade and Industry.

"We would prefer that China become part of the international order and play an appropriate role within it," he added, in what he called his own personal view and not necessarily that of the agency.

The whole thing is gathering momentum," he added. "There will be rapid change from now on."

Japan is not the only country expanding its investment in China. The Japanese trail the pace set by American and European rivals, all of which are far behind those made by overseas Chinese in Hong Kong, Taiwan, Singapore and Malaysia.

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In addition, a broad range of companies are being pulled by China's surging economy, which thrives for everything from steel and cement for infrastructure development, to cosmetics and big flat-screen TVs of the sort made by Matsushita for newly affluent consumers.

Marubeni is more representative. It has stakes in 30 projects in China, mostly in textiles, energy distribution, housing and pharmaceuticals. Its latest venture is a door-to-door delivery service in Shanghai.

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"We see China as the most promising market in the world," said Akira Ito, chief representative of the Bank of Tokyo in Beijing.

And although Japanese investments are numerous, most are now small in scale. Conservative Japanese executives have been reluctant to risk major sums in a country where political and legal systems are opaque.

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JORDAN STOPOVER



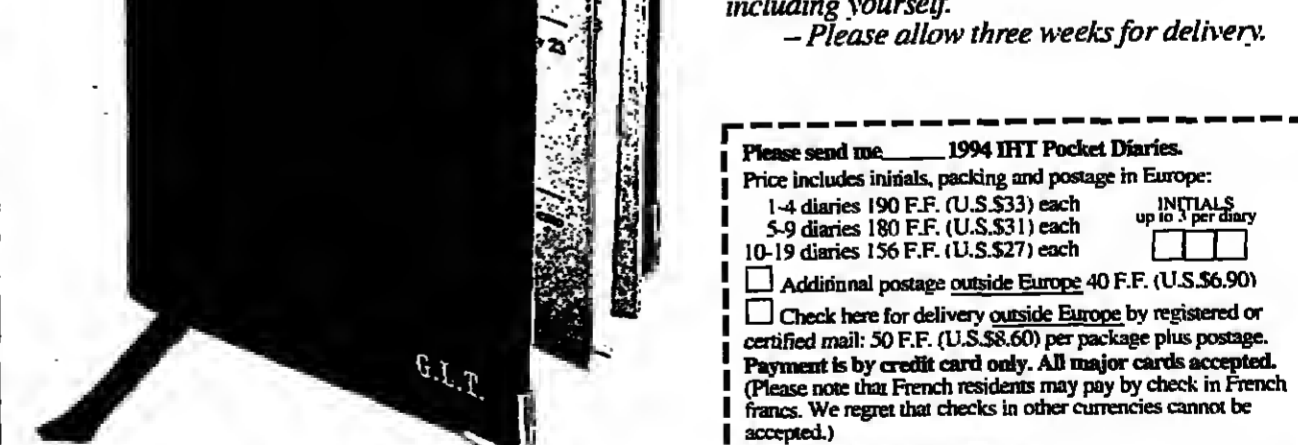
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Herald INTERNATIONAL Tribune

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A Pre-Winter Initiative

The Europeans are launching a final diplomatic effort to stop the grief in Bosnia before winter sets in with a vengeance...

better idea. The Europeans are at the end of their tether, one winter away from entirely abandoning the field...

Seoul Should Cooperate

President Bill Clinton cannot allow a last-minute anxiety attack in South Korea to deflect his deft diplomatic efforts to denuclearize North Korea...

the risk of confrontation. In June 1992, just as the first international inspectors were entering the North's nuclear sites...

Italians Are Fed Up

Italian voters blew up their party system last week. In local elections that involved a quarter of the electorate...

to disconcerting cheers of "Duce! Duce!" In the prosperous north, the federalist Northern League continued its conquests...

Other Comment

Getting Together to Save Peace

Egypt, even as it tries to cope with Islamic fundamentalist-inspired violence at home...

Indonesia has also signaled a change in attitude. Of most immediate importance, Jordan stands ready to sign a peace agreement...

Christopher Works the NATO and Middle East Cases

By Jim Hoagland

WASHINGTON — To his lasting regret, Henry Kissinger once called himself the Lone Ranger of American foreign policy...

behind the administration lies in the Middle East, which he visits this week. But he will first go in Europe...

European nations. Mr. Christopher firmly rejects published criticism of the plan by Mr. Kissinger...

others in the administration take stabs at the compartmentalization. Despite his new assertiveness...

Northern Ireland Will Have to Get Worse Before It Gets Better

By Pdraig O'Malley

CAMBRIDGE, Massachusetts — Two months ago, on the heels of the Israeli-Palestinian peace accord...

violence that is three to four times greater than Northern Ireland's. Of the 16,000 people who die each year in Northern Ireland...

sectarian lines, and victory usually means incumbency for life. People do not expect the talks to succeed...

When the Department of Public Health Medicine asked citizens last year what the major causes of stress in their lives were...

are vital to a functioning democracy. Compromise is a learned behavior. Its absence produces poor leadership...

After Communism, Back to the Problems It Pretended to Solve

By Alexander I. Solzhenitsyn

COMMUNISM is far from dead on the territory of the former Soviet Union. In some republics, its institutional structures have survived...

this vacuum was somehow obscured by the illusion of stability on the planet, a stability that has proved only transitory...

of the 21st century. Drowning in poverty and misery, it will, no doubt, soon step forward with an ever growing list of demands...

learn to accept the inevitable course of events. When a conference of the alarmed peoples of the earth convenes...

The writer, a senior fellow at the McCormack Institute of Public Affairs at the University of Massachusetts at Boston...

Hong Kong Would Be Better Off Without Conspiracy Theories

By Michael Yahuda

LONDON — There is no shortage of conspiracy theories that seek to explain aspects of the Hong Kong negotiations between China and Britain...

est of Britain in a democratic Hong Kong after 140 years of neglect; the prospect of a British "sellout" in protective economic interests in China and Hong Kong...

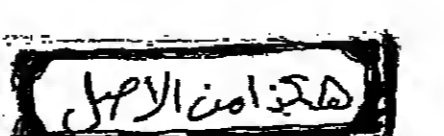
There is sufficient indication of an enormous clash of political cultures between Mr. Patten and Chinese officials to suggest that the possibilities of collusion between them...

1893: A Bomb in Dublin LONDON — Excitement and alarm have been caused in Dublin by the news that a tin box...

1918: A Victoria Cross LONDON — Captain and Brevet Major John Standish Surtees Prendergast Verker, Viscount Gort...

International Herald Tribune advertisement listing editorial board members and contact information.

1943: No Jokes Please LONDON — [From our New York edition:] You can't joke about American soldiers on the British Broadcasting Corporation's network now...



WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. Nov. 26

Canadian Dollars

Table of Canadian bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

Table of Japanese bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

Table of German bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

Table of French bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

Table of Italian bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

Table of Spanish bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

Table of Greek bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

Table of other international bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

NEW YORK (AP)

The following are the closing prices of the most actively traded securities in the New York market as of Friday, Nov. 26.

Large table of New York stock market prices including various sectors like Technology, Healthcare, and Industrials.

MUTUAL FUNDS

Figures as of close of trading Friday, Nov. 26.

Table of mutual fund prices and performance metrics, including fund names, assets, and returns.

Yen Straights

Table of Yen straight bond prices.

Table of Yen straight bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

ECU Straights

Table of ECU straight bond prices.

Table of ECU straight bond prices with columns for Issuer, Maturity, Price, Yield, and Spread.

Vertical advertisement on the right edge of the page, partially obscured and containing text like 'DOLLAR: CH...' and 'TIME: Jap...'.

New International Bond Issues

Table listing various international bond issues with columns for Issuer, Amount (millions), Maturity, Coupon, Price, and Terms. Includes floating rate notes and fixed-coupons from issuers like Gota Bank, IMI Bank, and various governments.

Bond Yields Dropping With Oil Prices

NEW YORK With oil prices slumping, the outlook for inflation remains benign, giving strength to a bond market that has been waver- ing if and when price pressures might return. Last week, investors in U.S. government bonds turned bullish, and the 30-year Treasury issue's yield fell in 6.26 percent from 6.34 percent the week before. The bellwether bond's price rose 1 1/32 points to 99 27/32.

Bank Scam Is Anything But Prime

By Sharon Walsh Washington Post Service WASHINGTON — The Salvation Army in Britain was hit for \$8.5 million. The tiny Pacific island of Nauru lost \$30 million. And Pat Buehler, an engineer in Denver, saw \$165,000 and her business slip away. Each was stung in swindles involving financial instruments known as prime bank notes, prime bank guarantees or prime bank letters of credit.

The Week Ahead: World Economic Calendar, Nov. 29 - Dec. 5

Table detailing the world economic calendar from Nov. 29 to Dec. 5. It lists key events such as interest rate decisions, economic reports, and international conferences across various regions like Asia-Pacific, Europe, and Americas.



JOBS: Many Are Skeptical About Plans to Shorten European Workweek and Share Jobs

Continued from Page 1 new offer of services or products creates the purchasing power to acquire them — in other words, employment begets employment. Those proposing a shorter workweek "are saying that people work harder in the countries with lowest employment," according to Jean-Claude Casanova, a political commentator writing in the French weekly L'Express. Jacques Chirac, the mayor of Paris and a possible contender for the 1995 presidential election, said he had "never seen any organism, human or social, emerging from a crisis by making less effort."

MUTUAL FUNDS

Table listing mutual fund performance data, including fund names, categories, and returns. Includes sections for Domestic Equity, International Equity, and Bond Funds.

GERMANS: Top Aide Sees Remedies for Workplace

Continued from Page 1 number of unemployed would "rise further in coming months," perhaps to 4 million. In detailing his proposals, Mr. Rexrodt said Germany should allow less-qualified workers to be paid less, with the option of working longer hours. There was no mention of the recent accord between Volkswagen AG and its principal union to cut the workweek and lower wages.

AIR: Lean, Not Mean Lufthansa

Continued from Page 9 — and premium-fare traffic is declining worldwide. The North Atlantic price war has pushed fares to their lowest levels in three years. To try to end those losses, Mr. Weber signed a cooperation pact with United Airlines on Oct. 4 that is scheduled to take effect on Jan. 10. Mr. Weber said Lufthansa's flights from Germany would get more passengers whose final destinations were smaller American airports served by United. After 1994, the airlines plan to share ground crews and check-in facilities and combine purchasing operations for their catering units.

DOLLAR: Oil Price Decline Fails to Spark Concern

Continued from Page 9 reduce the likelihood of a near-term move by the Federal Reserve Board to tighten monetary policy and "subsidize the dollar's strength." "I see no breakaway from the current trading range of 1.66-1.72 DM until next year, when renewed evidence of recession leads to lower interest rates in Europe," he said. He added that the dollar was facing strong headwinds: "In 16 of the past 20 years, the dollar has ended the fourth-quarter lower than it started, suggesting that there is a strong negative seasonal factor for the dollar."

LIFETIME: Japanese Companies Strive to Switch Workers' Jobs in Order to Save Them

Continued from Page 9 "Why should I protest?" said Mr. Matsumoto, 28, who was switched from personnel to the production line at Mazda. He said his new job at first caused him numerous physical aches and pains but was free of the mental stress of office work. When he works the overnight shift every other week he also gets some extra pay. "When we consider Mazda's current situation, with an excess of office workers, perhaps this situation is necessary," he said. Many Japanese praise the system of keeping workers on the payroll. Although Japan is in the midst of what is now being described as the worst economic slump since World

Euromarts At a Glance

Table providing a quick overview of Euromarts, including sections for Eurobond Yields, Weekly Sales, and Last Week's Markets. It lists various market indicators and their current values.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Nov. 26.

Table with columns: Symbol, Price, Change, Volume. Lists various OTC stocks like AAPG, AAD, AAT, etc.

Table with columns: Symbol, Price, Change, Volume. Lists various OTC stocks like ABB, ABBE, ABBEY, etc.

Table with columns: Symbol, Price, Change, Volume. Lists various OTC stocks like ABBEY, ABBEY, ABBEY, etc.

Table with columns: Symbol, Price, Change, Volume. Lists various OTC stocks like ABBEY, ABBEY, ABBEY, etc.

ESCORTS & GUIDES BELGRAVIA ORCHIDS MERCEDES BELLE EPOCH THE ESCORT SERVICE

INTERNATIONAL CLASSIFIED (Continued From Page 4) MISS GENEVA & PARIS LONDON ESCORT SERVICE CHELSEA ESCORT SERVICE

MUNICH WELCOME ESCORT & GUIDE AGENCY BRAZILIAN MADRID GRAS FRANKFURT & AREA

STAT ESCORT & GUIDE AGENCY ESCORT & GUIDE AGENCY ESCORT & GUIDE AGENCY

Luxembourg... Special...

Asia's Bill Hong Kong

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Continued on Page 17

Private Banking

Luxembourg Clings to Its Special Status

By Philip Crawford

LUXEMBOURG — It has been called a "billion dollar question" by many in the private banking industry...



Big Players Dominate Expanding Industry

By Conrad de Aenlle

LONDON — As the world of private banking grows larger, so do the banks that succeed in the business...

As banks send ordinary customers out into the street to use the teller machines, they find that the base of well-to-do clients they would like to bring through the door is growing considerably...

Swiss Uphold the Family (Money) Doctor

By Sarah Veal

GENEVA — "The news of that country is far from reassuring," wrote the Geneva private banker Alexandre Lombard in his diary...

family businesses, many have managed to stay in the same families six generations later. It is somewhat eerie to enter a private bank such as Geneva's Miraband & Cie...

assets of the small, private banks — stability, style, confidentiality, personal contact — seem almost anachronistic. Over the years, the number of Swiss private banks has considerably shrunk: 67 firms were in business at the end of the World War II...

Asia's Billionaire Colony Lures Banks

By Karen Cooper

HONG KONG — With their cash estimated at anything up to \$200 billion between them, Hong Kong's rich and not-so-famous are luring financiers to the British colony in droves...

ber. "He wants to preserve his core capital but also generate new wealth. It's no longer good enough for banks to look after their money. You have to increase it for them."

so many banks chasing the top tier of people who want fund management," said Vivian Lee, deputy chief executive of banking services at Hill Samuel. "The top tier can dictate terms and pick and choose what they want and management fees are being squeezed."

Hong Kong is like the U.S. was in the 1910s and 1920s...

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Choosing
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Private Banking / A Special Report

Choosing A Bespoke Tailor for Your Assets

By Martin Baker

PARIS — In the world of financial services, private banking has a mystique all of its own. It has traditionally been the proud owner of its very own set of connotations — customized Rolls Royces, Fabergé jeweled eggs, private jets. But times change, and private banking is bigger, less secretive, more competitive and more widely available an industry than ever before. Forget the customized Rolls Royce: If you can afford a mid-range BMW, you can probably afford a private banker.

Traces of the private banking mystique do remain, however. One key component of the service is discretion, with the corollary that the competition for business, though intense, is understated. This uncharacteristic reticence on the part of bankers in promoting their wares can leave the wealthy individual in the somewhat unusual position of thinking that he possibly requires a private banking service, yet not quite certain what that service is.

What follows is a basic primer in private banking, consisting of the essential questions that individuals should ask themselves, followed by some answers.

● How much money do I need to approach a private banker?

The answer is as variable as the pet definitions of private banking in today's market. Each company naturally claims to be offering the ultimate package of services. The basic rule is that you get what you can afford. "In some places, you have to put \$1 million in a non-interest-bearing current account just to get attention," said Kevin Kenney, London-based director of international private banking at Guinness Mahon.

For Georges Vergnion, Geneva-based chief executive of The Chase Manhattan Private Bank in Europe, the Middle East and Africa, a million dollars is the starting point: "You must have at least that in investable assets to get a bespoke service. Of course, it varies a little. We are always looking at the potential of clients to grow wealth."

But even if you don't have a million in liquidity, it is easy enough to find a bank willing to take your money from you. Trevor Falls, marketing director of ANZ Grindlays private banking, points to the bank's three major locations in Europe, all of which have different entry points.

"While they all have a wide range of clients, you need at least £250,000 (\$375,000) to bank with Geneva, £50,000 to bank with London, and just £10,000 to start an offshore



trust in the Channel Island of Jersey — but many Jersey clients have vast sums with us."

You can approach Kleinwort Benson, one of the best-known names in London banking circles, with as little as £1,000. But you will not walk away as a private banking client, according to Robin Shearmur, director of private banking at the company. Mr. Shearmur describes three levels of service. Above the basic sale of an investment product, would-be clients with at least £50,000 to manage can expect "a discretionary managed mutual fund service" — that is, a service where the bank makes strategic decisions about which funds to invest in, acts on its decisions, and keeps the client informed.

"For a genuinely 'bespoke' service, clients should have at least £250,000," said Mr. Shearmur.

● What kind of service do I get for my money?

Again, the moral is that the more you've got, the more you get. There is considerable disagreement in the industry about services sold at the lower end of the market. Those institutions that have been offering private banking services for some time object to portfolio management services being sold under the more glamorous marketing title of private banking. But there is a measure of consensus on what constitutes the traditional core of the business.

"It's about the client's personal, family and business needs," said Mr. Vergnion of Chase Manhattan. "It's essentially a personal service. If the client just wants a return on assets,

it's fairly simple. If it's a question of asset planning to take care of spouse and family, it's a planning process. That may include an educational element of explaining the decisions you're advising the client to take."

Mr. Shearmur lists the absolute basics of private banking as "a segregated investment account, fulfillment of all the client's banking requirements, deposit-taking, advice on mortgage and liability management, regular reporting, and the establishment of a relationship with the bank."

● How important is location?

"This kind of banking is an international business," said a Bermuda-based banker who spoke on condition of anonymity. "Typically, a private-banking client has assets in more than one country. Usually, the client will be in a different country from his banker. But not usually the other side of the world."

The key practical considerations include the time zone in which the bank operates; it can be inconvenient to get up in the middle of the night to talk about your personal finances. And, of course, the language and culture of the bank are important.

● What does it cost?

Nowhere is the meaning of discretion better expounded than when trying to elicit information from bankers on this subject.

"The question isn't what you pay or don't pay," said Mr. Vergnion. "It's what kind of value do I, as a banker, add to your portfolio. I add value and the client pays for that. He's not buying a Honda. It's not a fixed price."

Computerization Broadens Client Base

By Conrad de Aenlle

LONDON — Personal asset management used to be a privilege of the wealthy, those with enough assets worth managing profitably for banker and client. But with the advent of souped-up computer systems that enable banks to benefit from economies of scale, they have set much lower the threshold where "wealthy" begins.

They are not alone in pursuing only moderately affluent customers. Stockbrokerages and fund companies, some tied to banks, are plumb the bottom end of the private banking market by offering personal portfolio management to clients who in the past only received order execution, account statements and perhaps corporate research reports.

"The private client part of our business has been the fastest-growing in recent years," said David Rosier, chairman of Mercury Asset Management, the fund management arm of the S.G. Warburg banking concern. "It's an area we're committed to growing, and it's growing fast."

The growth has come from broadening the client base to include the merely comfortable along with the obscenely rich. Mr. Rosier said that despite inflation, the minimum size for a personally managed portfolio has decreased over the last 10 years.

By bringing more customers into the fold, Mercury is able to throw more business to its corporate parent. Those meeting Mercury's minimum of \$250,000 for a personally managed portfolio can open a Warburg bank account, make transfers, borrow money, and so on. In addition to the 1 percent asset management fee, Warburg collects charges on the banking transactions.

"We're trying to turn a customer into a [private banking] client at the bottom end," said Mr. Rosier.

By seeking out such clients, banks and other financial service providers feel they can run

their businesses more cost effectively, benefiting all concerned.

"It has given us the ability to achieve volume and scale quickly and has allowed us to spread our overhead," observed David Maguire, director of marketing for Lloyds Private Banking, which was set up five years ago to handle the British bank's domestic private-client business. Lloyds accepts clients with as little as £75,000, or \$110,000. "If you limit it to £1 million, you're going to have to charge them a fair bit."

The cost of asset management has come

The cost of asset management has come down thanks to technology...

down thanks to technology that allows investments to be made more easily than ever before. If the decision is made, say, to exit the French stock market and buy into Germany, "you can complete that switch in 10 minutes for your whole client base," said Mr. Rosier.

"What technology has brought to this area, as in so many others, is added efficiency," said Peter Rees, marketing director of Rothschild Asset Management. "You can handle more clients and more money with fewer people and provide a better service. You are widening the options of what markets you can realistically invest in."

With the right hardware, "a manager has the benefit of managing hundreds of accounts in virtually the same fashion," said Deepak Chowdhury, head of product development for Lehman Brothers. "The manager can look at one number, say \$50 million, which is really 500 clients."

Even though clients' funds are pooled, so-

count managers are left with a fair amount of room to tailor portfolios to meet individual clients' tastes based on their risk tolerance, financial and business circumstances, and on their personal quirks.

"The technology allows us to break those investors down to individual holdings," Mr. Chowdhury said. "You can determine to some extent what restrictions you want to impose — no tobacco or gambling stocks, for instance. You don't have the flexibility to do that in an ordinary fund."

A trend among brokerage firms, especially in the United States, is to offer a personal portfolio management service known as a wrap account because the costs of brokerage transactions, research and advice are wrapped together in a single fee of 2 or 3 percent of assets, depending on the size of the account, how active it is and what sorts of investments are generally made. Two leaders in the field, Merrill Lynch and Smith Barney Shearson, are estimated to have more than \$50 billion under management between them in wrap and similar personal management accounts.

Wrap accounts are relatively unheard of outside the United States, where there is very little demand for personal portfolio management, except that offered by fund companies and banks. Joanne Hindle, chief executive of IFA Promotion, which represents British independent financial advisers, said that since 1987, the percentage of financial intermediaries providing personal management has fallen steadily.

"There's not much call for management services from IFAs. The feeling is Brits don't talk about money or feel they need" that sort of service, Ms. Hindle said. "The very rich go to private banks, the rest just live on the money they earn; they don't need financial services." She has, however, noticed "a graying of the boundaries" among banks, fund companies and other providers of asset management services.

Big Players Dominate Expanding Sector

Continued from page 13

Michael Tomalin, managing director of Barclays Private Banking. "If you talk to the global players, they'll have offices in Switzerland, London, the Cayman Islands. It's a business that transcends geography and legal entry."

What used to matter most to clients was safety — keeping their wealth hidden away when the cossacks came to the door. Being out of harm's way was critical. Now it's more important for a bank to be in the thick of things, near markets and their clients' personal and business activities. That has eroded the dominance the Swiss have enjoyed for two centuries.

"Swiss banks have been steadily losing market share for 10 years or more," said Mr. Brown of Morgan Stanley. "It's happened because private banking in Switzerland grew up on the basis of confidentiality and security. The world has changed. . . . There's more interest in performance."

A survey by Chase of its private banking clients found that a "stable environment for assets" was their foremost concern. But two items reflecting the importance of performance ranked second and fourth: "preserving wealth against inflation and depreciation" and "increasing wealth substantially."

As the big international banks develop their businesses, the old-line Swiss banks are trying to fend off the macro-schism on what used to be their nearly exclusive territory. These venerable institutions are expanding their asset management services and worldwide reach in an effort to stay competitive.

"The private client side of the bank is taking more notice of asset management," said Stephen Barber, an executive director of Pictet Asset Management U.K., a division of the Swiss bank Pictet and Cie. that was set up to manage institutional money. "The growth of our institutional business is transforming the way private clients are being handled."

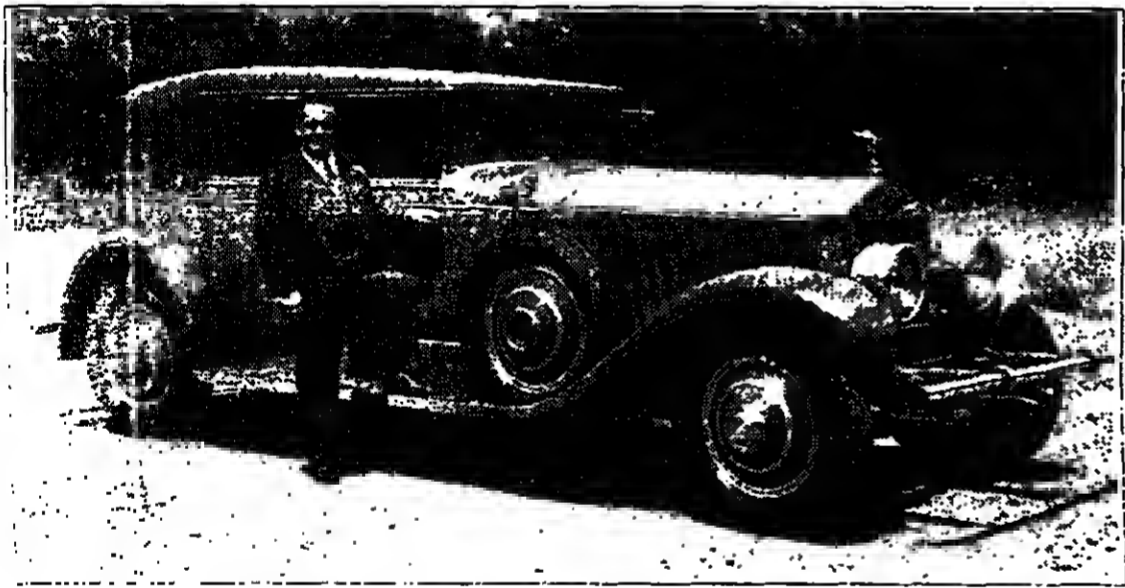
As opposed to traditional private banks that offer "a posh checkbook, but not professional portfolio management," Pictet thinks that de-

veloping this aspect of its business is vital for staying competitive with its many new rivals. "The bank recognizes that it's not going to grow if it retreats back into its own private world," Mr. Barber acknowledged. "If we don't develop our institutional side, we are in danger of sinking into a backwater."

Bankers insist that they can develop that business without sacrificing personal service: "something that is essential in a treacherous competitive environment."

"It's not unusual for private banking clients to say, 'We want personal service, but with the investment management of big institutions,'" said Rod Hearn, a colleague of Mr. Barber at Pictet. "Innovation and tradition are not in conflict with each other; they go hand in hand. The competitive demands of the institutional marketplace are reinvigorating the private banking business."

CONRAD DE AENLLE writes about finance and investment from Paris.



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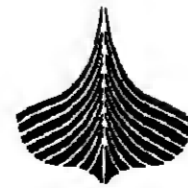
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MONDAY SPORTS

Cuban Defections Rise to 32 at Games

The Associated Press
SAN JUAN, Puerto Rico — The number of Cubans defecting during the regional athletic championships has risen to 32, according to members of the Cuban delegation.

That figure, given Saturday night, represented a doubling of defections from the previous day and raised speculation about a massive walkout among the 931-member Cuban delegation before the Central American and Caribbean Games conclude Tuesday.

Gold medalists Lino Elias Ocasio and Emilio Lara Rodriguez, both weightlifters, were among at least nine athletes and officials who escaped Cuban security to defect Saturday, according to a small Cuban exile group helping house the defectors. Lara Rodriguez is the brother of Pablo Lara, who broke the world record Thursday in the

167-pound division by lifting 451 pounds. Pablo Lara was among a group of athletes flown home Saturday on a Cuban airliner.

The exile group, Rescue Legion, said it was helping the nine until they could make a formal application for U.S. political asylum on Monday. Eleven of the Cubans had applied by Friday afternoon.

The defections reflect the rush to flee President Fidel Castro's Communist state.

They also reflect the ease with which Cubans can gain U.S. residency. Under a 1966 congressional act, nearly all Cubans who make it to American shores can stay, an immigration status not given to any other nationality.

Some of the defectors had planned their escape for months. A photographer for Cuba's Sports Illustrated, for example, arrived at the championships packing his entire portfolio of work.

The sources in the Cuban delegation, speaking on condition of anonymity, said the 32 defectors included three Cubans who disappeared Saturday night. The three were identified as two coaches and journalist Josi Mass, a Communist Party member.

The Cubans count their delegation mighty at the athletic housing, a National Guard barracks in San Juan, 60 miles southwest of San Juan. Cuban athletes said that after the first defections, they had to ask permission 24 hours in advance to see outside visitors or family, so that security could be arranged.

There was no official Cuban statement on the recent defections by late Saturday.

Rescue Legion, the exile group, identified four other defectors Saturday as Rolando Sanchez Melendez, a judo official, field hockey player Yamile Amaro Vizcaino and two members of the Cuban water polo team, Antonio Perez Sanchez and Jorge Blas Garcia.

Since the games started Nov. 19, defectors have included Cuba's top woman softball pitcher, Odalys Hernandez, as well as two medal-winning bicyclists, father-and-son members of the archery team, a diver, a bowler, a sharpshooter and the No. 2 security official.

Speed Skaters Topple Marks

The Associated Press
BERLIN — Germany's Gudrun Niemann, a double-gold medal winner at the 1992 Olympics, rounded the competition Sunday to win the 3,000-meters at the first speed skating World Cup of the season.

Rinje Ritsma of the Netherlands was a surprise winner in the men's 5,000-meters, breaking the track record at the Hohensohn-hansen ice rink with a time of 6:49.11 minutes.

Four track records were shattered during the three-day event. The World Cup is the season's first test of strength among the top speedskaters as they prepare for the Olympics.

Ritsma edged world-record-holder Johann Olav Koss of Norway by 0.14 seconds. Both men broke the former record of 6:50.00 minutes set by Bert Veldkamp of the Netherlands.

Other track records were set by Norway's Anders Sorensen in the men's 1,500-meters, Japan's Hirayasu Shimizu in the men's 500 and Dan Jansen of the United States in the 1,000.



Vreni Schneider racing toward victory No. 45 of her slalom career in the women's World Cup in Santa Caterina Valfurva, Italy.

Austria's Mader Upstages 2 Olympians

By Chris Dufresne
Los Angeles Times Service
PARK CITY, Utah — It came down to a showdown of Olympians, the facoff most hoped for, a paparazzi's dream.

Italy's Alberto Tomba, the two-time defending gold-medal winner in giant slalom, against Norway's Kjetil Andre Aamodt, the defending GS world champion and the greatest threat to Tomba's reign.

Tomba or Aamodt. Which would it be? Aamodt, the 13th runner down the course in the second run of Saturday's World Cup giant slalom at the Subaru America's opener, had dramatically snatched the lead from France's Franck Piccard.

Tomba, up next, threw himself into the course and attacked the

hill, lunging across the finish line one-tenth of a second faster than Aamodt.

One racer remained among the top-seeded skiers — Gomenher Mader, the Austrian who finished 33rd overall in GS last season and whose only World Cup GS victory came in 1989.

Mader had climbed from his 17th-seeded position to take the lead in the first run. No one figured he could do it twice.

But Mader, 29, crashed an Italian party with a second-run time of 59.86 seconds to nip Tomba by 0.02 and claim victory.

Mader's two-run time was 2:00.61. Tomba finished second at 2:00.63, with Aamodt third at 2:00.73.

Mader might have looked

Schneider Wins First Slalom Of Cup Season

The Associated Press
SANTA CATERINA VALFURVA, Italy — Swiss veteran skier Vreni Schneider dominated Sunday's first slalom race of the women's World Cup season to post her 45th career victory in the Italian resort where she began her impressive streak nine years ago.

Ulrike Maier of Austria, with her second giant slalom victory on the circuit, had ended the winning streak of teammate Anita Wachter on Saturday.

Schneider, 29, overcame recurring back pains and a strong challenge from defending World Cup champion Wachter as she clocked the fastest time in both runs down the Cevadale course to put together an unbeatable aggregate of 1 minute, 38.93 seconds.

Wachter, twice first and once second in three previous World Cup giant slalom races, finished 0.91 seconds behind the winner Sunday and strengthened her overall lead in the Cup standings.

The 26-year-old Austrian piled up 360 points in four races, 85 points more than Schneider, who placed 4-2-5 in the giant slaloms at Solden, Austria, in October and here Friday and Saturday.

Schneider, a former world and Olympic slalom champion, said she was overjoyed at having started the slalom season the way she had ended it, with a victory. She won the closing slalom of the 1992-93 season in Are, Sweden, in March.

"This victory gives me a lot of motivations for the current season, and high hopes to do well in the Olympics," she said.

The winter Olympic Games are scheduled for February in Lillehammer, Norway.

Schneider, who won her first World Cup race in Santa Caterina in 1984, has a World Cup record of 20 wins in giant slalom, 24 in slalom and one in the combined.

She has won more slaloms than any other woman skier and is second to the retired Anne Marie Moser Pröll of Austria in total wins. Pröll has 62.

Young Slovenian Urška Hrovat finished a surprising third Sunday, ahead of Swede Pernilla Wiberg, who produced another outstanding comeback performance.

Wiberg, the Olympic giant slalom champion, returned to action in October, 10 months after injuring her Achilles tendon in Maribor, Slovenia.

Hrovat, 19, from Ljubljana, had her best slalom finish, 1.01 seconds behind Schneider.

Wiberg, who placed sixth and third in the two previous races here Friday and Saturday, trailed the winner by 1.23.

French slalom specialist Patricia Chauvet finished sixth. Italy's Deborah Compagnoni, the Olympic Super-G champion, dropped out in the second run, failing to get a place on the podium in her native village for the third race in a row.

The only American qualifier, Monique Pelletier of Aspen, Colorado, placed 17th, at 3.41 seconds behind.

In Saturday's action, Maier, 26, a two-time world Super-G champion, clocked an aggregate time of 2:20.84 in two runs down the Cevadale course.

Schneider, dominant in the season's first two giant slaloms, finished 0.28 seconds behind. Wiberg trailed Maier by 0.79 seconds. Compagnoni finished fourth, 0.86 seconds behind the winner, and Wachter was next, 1.28 seconds behind.

Maier clocked the fastest first run, in 1:09.55, and withstood the comeback of Wachter and Wiberg in the second run.

Residents of St. Moritz, Switzerland, voted in a referendum Sunday to support a bid to hold the 1999 World Alpine Ski Championships. St. Moritz, site of the 1928 and 1948 Winter Olympics, joins nearby Pontresina in trying to bring the ski championship to Switzerland's Upper Engadine region for the third time, but the first since 1974.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Nov. 28

Symbol	100s	High	Low	Close	Chg	Net
MSFT	24	22	22	22	0	0
INTL	20	20	20	20	0	0
WELLS	16	16	16	16	0	0
AMZN	24	24	24	24	0	0
GOOG	12	12	12	12	0	0
ORCL	24	24	24	24	0	0
IBM	24	24	24	24	0	0
HPQ	24	24	24	24	0	0
QCOM	24	24	24	24	0	0
TXN	24	24	24	24	0	0
WDC	24	24	24	24	0	0
INTC	24	24	24	24	0	0
AMD	24	24	24	24	0	0
LSI	24	24	24	24	0	0
SGS	24	24	24	24	0	0
PLX	24	24	24	24	0	0
SWD	24	24	24	24	0	0
ADI	24	24	24	24	0	0
ANALOG	24	24	24	24	0	0
MAXIM	24	24	24	24	0	0
TELEPH	24	24	24	24	0	0
AVAYA	24	24	24	24	0	0
CIEN	24	24	24	24	0	0
QWEST	24	24	24	24	0	0
LEVEL	24	24	24	24	0	0
WORLD	24	24	24	24	0	0
TELECOM	24	24	24	24	0	0
SPRINT	24	24	24	24	0	0
VERIZON	24	24	24	24	0	0
UNITED	24	24	24	24	0	0
WESTERN	24	24	24	24	0	0
TELEPHONE	24	24	24	24	0	0
INTERNET	24	24	24	24	0	0
NETSCAPE	24	24	24	24	0	0
EBAY	24	24	24	24	0	0
AMERICAN	24	24	24	24	0	0
EXPRESS	24	24	24	24	0	0
UNITED	24	24	24	24	0	0
PARCEL	24	24	24	24	0	0
POSTAL	24	24	24	24	0	0
INTERNATIONAL	24	24	24	24	0	0
MAIL	24	24	24	24	0	0
AMERICAN	24	24	24	24	0	0
EXPRESS	24	24	24	24	0	0
UNITED	24	24	24	24	0	0
PARCEL	24	24	24	24	0	0
POSTAL	24	24	24	24	0	0
INTERNATIONAL	24	24	24	24	0	0
MAIL	24	24	24	24	0	0

MONDAY SPORTS

SCOREBOARD

NBA Standings

Table with columns for Eastern Conference (Atlantic, Central, Pacific) and Western Conference (Midwest, South, Pacific) showing team names, wins, losses, and percentages.

MIDWEST

Table listing Midwest basketball games with team names and scores.

SOUTHWEST

Table listing Southwest basketball games with team names and scores.

PACIFIC

Table listing Pacific basketball games with team names and scores.

WESTERN CONFERENCE

Table listing Western Conference basketball games with team names and scores.

EASTERN CONFERENCE

Table listing Eastern Conference basketball games with team names and scores.

OLYMPIC SPORTS

World Cup Skiing

Results Saturday from Park City, Utah: 1. G. Heidegger (Austria), 2. M. Schindler (Austria), 3. J. Luder (Austria)...

Women's Slalom

Results Saturday from Park City, Utah: 1. M. Schindler (Austria), 2. M. Schindler (Austria), 3. J. Luder (Austria)...

Speedskating

Results of world cup event in Berlin: 500 meters: 1. Don Janssen (U.S.), 2.374 seconds...

German First Division

FC Koln 1-0 Bayern Muenchen, FC Schalke 04 2-1 Borussia Dortmund...

Italian First Division

AC Milan 2-1 Lazio, Fiorentina 1-0 Roma, Juventus 1-0 Fiorentina...

Spanish First Division

Real Sociedad 1-0 Espanol, Real Madrid 1-0 Athletic Bilbao...

English Premier League

Manchester United 1-0 Tottenham, Liverpool 1-0 Everton...

French First Division

Lyon 1-0 Marseille, Bordeaux 1-0 Nantes, Lille 1-0 Auxerre...

Football

Major College Scores: Boston U. 25, N. Iowa 20, South Carolina 22, Florida 21...

Transactions

Baseball: American League: N.Y. Yankees - Phil. Phillies, Boston - Toronto...



IT BEGINS - The 75-day relay for the Olympics in Lillehammer began with Princess Martha Louise fighting the first torch Saturday in the village of Morgedal...

Princess Martha Louise, 18, lit the Olympic torch in the village of Morgedal, from the fireplace of Sondre Norheim, known to Norwegians as the father of modern skiing.

Baseball

Major League Baseball: N.Y. Yankees - Phil. Phillies, Boston - Toronto, Cleveland - Detroit...

Hockey

NHL Standings: Eastern Conference: Boston 16, New York 15, Philadelphia 14...

Baseball

Baseball: American League: N.Y. Yankees - Phil. Phillies, Boston - Toronto...

Hockey

NHL Standings: Eastern Conference: Boston 16, New York 15, Philadelphia 14...

Baseball

Baseball: American League: N.Y. Yankees - Phil. Phillies, Boston - Toronto...

Hockey

NHL Standings: Eastern Conference: Boston 16, New York 15, Philadelphia 14...

Baseball

Baseball: American League: N.Y. Yankees - Phil. Phillies, Boston - Toronto...

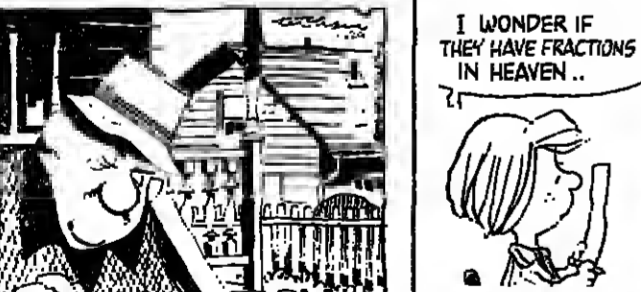
Hockey

NHL Standings: Eastern Conference: Boston 16, New York 15, Philadelphia 14...

Major College Scores

Table listing major college basketball scores from various conferences like Big East, Big Ten, etc.

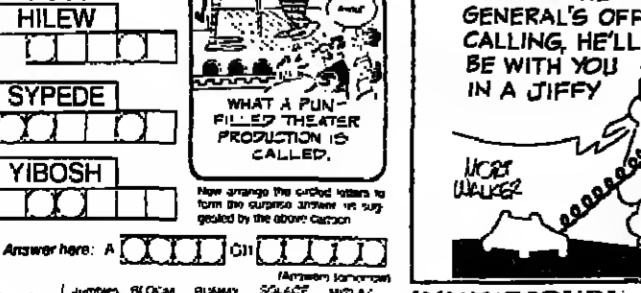
PEANUTS



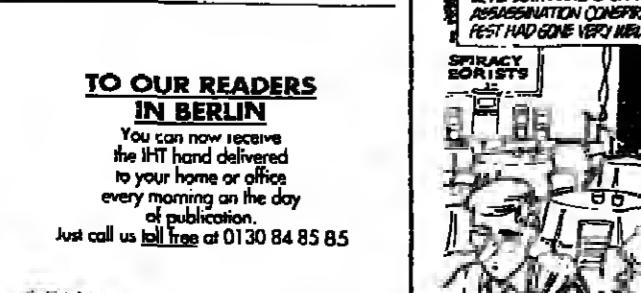
BLONDIE



BEETLE BAILEY



DOONESBURY



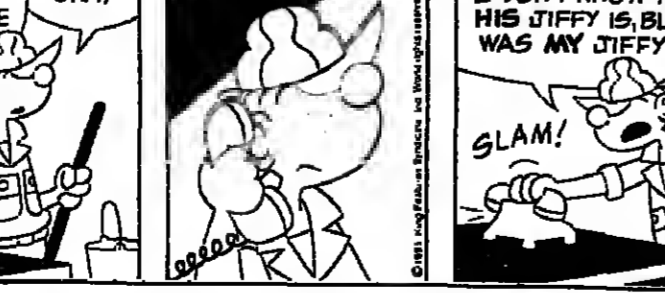
CALVIN AND HOBBES



WIZARD OF ID



REX MORGAN



GARFIELD



TO OUR READERS IN BERLIN

You can now receive the IHT hand delivered to your home or office every morning on the day of publication.

Large vertical advertisement on the right side of the page, featuring 'Legacy Wins in After Go Desorme' and 'Jolly Good for the Record'.

